

ASSEMBLY BILL

No. 1238

Introduced by Assembly Member Plescia

February 22, 2005

An act to amend Sections 125000, 125001, 125002, 125050, 125052, 125105, 125200, 125201, 125202, 125220, 125222, 125226, 125227, 125240, 125241, 125260, 125350, 125351, 125352, 125400, 125522, 125524, 125525, 125526, 125527, 125540, 125541, 125550, 125551, 125552, 125560, 125561, 125600, 125700, 125701, 125702, 125703, 125705, 125707, 125708, 125709, 125710, 125711, 125712, 125713, 125714, 125715, and 125716 of, and to amend the heading of Division 11.5 (commencing with Section 125000) of, to add Sections 125203, 125450, and 125500 to, and to repeal Sections 125300 and 125301 of, the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1238, as introduced, Plescia. North County Transit District.

Existing law provides for creation of the North San Diego County Transit Development Board, with various powers and duties relative to the planning and operation of a transit system in a portion of San Diego County.

This bill would revise and recast these provisions and rename the board as the North County Transit District. The bill would provide that the district is not a local agency required to comply with applicable building and zoning ordinances of a county or city. The bill would conform to the provisions of the San Diego Regional Transportation Consolidation Act. The bill would also provide that a violation of a district fare ordinance is a crime. Because the bill would create a new crime, it would thereby impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The heading of Division 11.5 (commencing with
2 Section 125000) of the Public Utilities Code is amended to read:

3
4 DIVISION 11.5. NORTH-SAN-DIEGO COUNTY TRANSIT
5 DEVELOPMENT BOARD DISTRICT
6

7 SEC. 2. Section 125000 of the Public Utilities Code is
8 amended to read:

9 125000. This part shall be known and may be cited as the
10 “North-San-Diego County Transit-Development Board District
11 Act.”

12 SEC. 3. Section 125001 of the Public Utilities Code is
13 amended to read:

14 125001. As used in this division, ~~“board”~~ “district” means
15 the North-San-Diego County Transit-Development Board
16 District.

17 SEC. 4. Section 125002 of the Public Utilities Code is
18 amended to read:

19 125002. It is the intent of the Legislature to improve existing
20 public transportation services and encourage regional public
21 transportation coordination. The Legislature recognizes that in
22 order to achieve a unified, coordinated public transportation
23 system within the San Diego region, it may be necessary to form
24 a regionwide transit district at some future time. It is the intent of
25 the Legislature that the North-San-Diego County Transit
26 Development Board District shall reserve the right to join and
27 merge with such a *regionwide* district at such time as it is
28 deemed mutually beneficial by the board and the region as a
29 whole.

SEC. 5. Section 125050 of the Public Utilities Code is amended to read:

125050. There is hereby created, in that portion of the County of San Diego as described in Section ~~125051~~ 125052, the North ~~San Diego County Transit Development Board District~~. *The district shall be governed by a board of directors. As used in this division, "board" means the board of directors of the district.*

The board shall consist of members selected as follows:

(a) One member of the San Diego County Board of Supervisors appointed by the board of supervisors, which member shall represent, on the board of supervisors, the largest portion of the area under the jurisdiction of the ~~transit development board district~~.

(b) One member of each of the City Councils of the Cities of Carlsbad, Del Mar, *Encinitas*, Escondido, Oceanside, San Marcos, *Solana Beach*, and Vista, and each new city that incorporates within the ~~board district~~ boundaries, appointed by the respective city council.

SEC. 6. Section 125052 of the Public Utilities Code is amended to read:

125052. The area of jurisdiction of the board shall consist of the following areas:

(a) The Cities of Carlsbad, Del Mar, *Encinitas*, Escondido, Oceanside, San Marcos, *Solana Beach*, and Vista and each new city that incorporates within the ~~board district~~ boundaries.

(b) Camp Joseph H. Pendleton.

(c) The unincorporated areas of San Diego County lying within census tracts: 170.04 (but excluding that portion lying east of the eastern boundary of the City of San ~~Diego~~ *Diego*), 171.00, 173.00, 174.01, 174.02, 175.00, 176.00, 177.00, 178.02, 185.02, 185.03, 186.01, 186.02, 188.00, 189.01, 189.02, 190.00, 191.01, 191.02, 192.01, 192.02, 193.00, 194.00, 196.00, 197.00, 198.00, 199.00, 200.01, 200.02, 200.03, 201.01, 201.02, 202.03, 202.05, 203.00, 204.00, 206.02, 207.01, 207.02, and 208.00, as set forth in the 1970 decennial census maps for the State of California on file with the Bureau of the Census, Department of Commerce, Washington, D.C.

SEC. 7. Section 125105 of the Public Utilities Code is amended to read:

125105. The board shall:

1 (a) Acquire, construct, maintain, and operate (or let a contract
2 to operate) public transit systems and related facilities.

3 (b) Adopt an annual budget and fix the compensation of ~~its~~ *the*
4 *district's* officers and employees.

5 (c) Adopt an administrative code, by ordinance, that prescribes
6 the powers and duties of ~~board~~ *district* officers, the method of
7 appointment of ~~board~~ *district* employees, and methods,
8 procedures, and systems of operation and management of the
9 ~~board~~ *district*.

10 (d) Cause a postaudit of the financial transactions and records
11 of the ~~board~~ *district* to be made at least annually by a certified
12 public accountant.

13 (e) Appoint advisory commissions as it deems necessary.

14 (f) Do any and all things necessary to carry out the purposes of
15 this division, including, but not limited to, adopting all
16 ordinances and making all rules and regulations proper or
17 necessary to regulate the use, operation, and maintenance of ~~its~~
18 *the district's* property and facilities, including its public transit
19 systems and related transportation facilities and services
20 operating within its area of jurisdiction and those areas beyond
21 ~~the board's~~ *its* jurisdiction served by the ~~board~~ *district* pursuant
22 to contract or memorandum of agreement with another transit
23 agency, and to carry into effect the powers granted to the ~~board~~
24 *district*.

25 SEC. 8. Section 125200 of the Public Utilities Code is
26 amended to read:

27 125200. The ~~board~~ *district* has perpetual succession and may
28 adopt a seal and alter it at its pleasure.

29 SEC. 9. Section 125201 of the Public Utilities Code is
30 amended to read:

31 125201. The ~~board~~ *district* may sue and be sued, except as
32 otherwise provided by law, in all actions and proceedings, in all
33 courts and tribunals of competent jurisdiction.

34 SEC. 10. Section 125202 of the Public Utilities Code is
35 amended to read:

36 125202. All claims for money or damages against the ~~board~~
37 *district* are governed by Division 3.6 (commencing with Section
38 810) of Title 1 of the Government Code except as provided
39 therein, or by other statutes or regulations expressly applicable
40 thereto.

SEC. 11. Section 125203 is added to the Public Utilities Code, to read:

125203. The district shall be excluded from the requirements of a local agency set forth in Section 53091 of the Government Code.

SEC. 12. Section 125220 of the Public Utilities Code is amended to read:

125220. The ~~board~~ *district* may make contracts and enter into stipulations of any nature whatsoever, either in connection with eminent domain proceedings or otherwise, including, but not limited to, contracts and stipulations to indemnify and save harmless, to employ labor, to contract with a private patrol operator licensed pursuant to Chapter 11 (commencing with Section 7500) of Division 3 of the Business and Professions Code, the county sheriff and municipal police departments within the areas described in Section 125052, and other transit development boards for security, police, and related services, and to do all acts necessary and convenient for the full exercise of the powers granted in this division.

SEC. 13. Section 125222 of the Public Utilities Code is amended to read:

125222. The ~~board~~ *district* may contract with any department or agency of the United States of America, with any public agency, or with any person upon such terms and conditions as the ~~board~~ *district* finds is in its best interest.

SEC. 14. Section 125226 of the Public Utilities Code is amended to read:

125226. The ~~board~~ *district* may insure against any accident or destruction of the system or any part thereof. The ~~board~~ *district* may also provide insurance as provided in Part 6 (commencing with Section 989); *of* Division 3.6; *of* Title 1 of the Government Code.

SEC. 15. Section 125227 of the Public Utilities Code is amended to read:

125227. The ~~board~~ *district* may contract for the services of independent contractors.

SEC. 16. Section 125240 of the Public Utilities Code is amended to read:

125240. The ~~board~~ *district* may take by grant, purchase, devise, or lease, or condemn in proceedings under eminent

1 domain, or otherwise acquire, and hold and enjoy, real and
2 personal property of every kind within or without its area of
3 jurisdiction necessary to the full or convenient exercise of its
4 powers. The ~~board~~ *district* may lease, mortgage, sell, or
5 otherwise dispose of any real or personal property within or
6 without its area of jurisdiction necessary to the full or convenient
7 exercise of its powers.

8 SEC. 17. Section 125241 of the Public Utilities Code is
9 amended to read:

10 125241. The ~~board~~ *district* is entitled to the benefit of any
11 reservation or grant, in all cases, where any right has been
12 reserved or granted to any public agency to construct or maintain
13 roads, highways, or other crossings over any public or private
14 lands.

15 SEC. 18. Section 125260 of the Public Utilities Code is
16 amended to read:

17 125260. The ~~board~~ *district* shall plan, construct, and operate
18 (or let a contract to operate) public transit systems in
19 conformance with ~~the regional transportation plan developed~~
20 ~~pursuant to Chapter 2.5 (commencing with Section 65080) of~~
21 ~~Title 7 of the Government Code and the five-year transportation~~
22 ~~improvement program developed pursuant to Section 134 of Title~~
23 ~~23 of the United States Code, and to the extent provided for in,~~
24 ~~the San Diego Regional Transportation Consolidation Act~~
25 ~~(Chapter 3 (commencing with Section 132350) of Division 12.7).~~

26 SEC. 19. Section 125300 of the Public Utilities Code is
27 repealed.

28 ~~125300. The board shall be responsible for short-term~~
29 ~~operational and financial planning for transit systems within the~~
30 ~~area of its jurisdiction.~~

31 SEC. 20. Section 125301 of the Public Utilities Code is
32 repealed.

33 ~~125301. The council of governments which includes the area~~
34 ~~of the board shall be responsible for all regionwide transportation~~
35 ~~planning pursuant to Section 134 of Title 23 of the United States~~
36 ~~Code.~~

37 SEC. 21. Section 125350 of the Public Utilities Code is
38 amended to read:

1 125350. The ~~board~~ *district* shall be deemed a provider of
2 services within the area of its jurisdiction for purposes of Section
3 1604 of Title 49 of the United States Code.

4 SEC. 22. Section 125351 of the Public Utilities Code is
5 amended to read:

6 125351. The ~~board~~ *district* shall take all action necessary to
7 obtain the maximum amount of funding available pursuant to
8 Section 1602 of Title 49 of the United States Code. ~~It is the intent~~
9 ~~of this section that no other public entity within the area of the~~
10 ~~board's jurisdiction shall file application for such funds.~~

11 SEC. 23. Section 125352 of the Public Utilities Code is
12 amended to read:

13 125352. It is the intent of this section that ~~no other public~~
14 ~~entity within the area of the board's jurisdiction~~ *the district* shall
15 file application for funds for public transportation *in conformity*
16 *with, and subject to the limitations set forth in, the San Diego*
17 *Regional Transportation Consolidation Act (Chapter 3*
18 *(commencing with Section 132350) of Division 12.7)* under
19 Chapter 4 (commencing with Section 99200) of Part 11 of
20 Division 10. ~~The board may disburse funds received to public~~
21 ~~mass transit operators and systems within its jurisdiction in~~
22 ~~accordance with requirements of state law.~~

23 SEC. 24. Section 125400 of the Public Utilities Code is
24 amended to read:

25 125400. The ~~board~~ *district* may accept contributions, grants,
26 or loans from any public agency or the United States or any
27 department, instrumentality, or agency thereof, for the purpose of
28 financing the planning, acquisition, construction, or operation of
29 public transit systems, and may enter into contracts and
30 cooperate with, and accept cooperation from, any public agency
31 or the United States, or agency thereof, in the planning,
32 acquisition, construction, or operation of ~~any such~~ *those* systems
33 in accordance with any legislation ~~which~~ *that* Congress or the
34 Legislature of the State of California may have heretofore
35 adopted or may hereafter adopt, under which aid, assistance, and
36 cooperation may be furnished by the United States or any public
37 agency in the planning, acquisition, construction, or operation of
38 ~~any such~~ *those* systems. The ~~board~~ *district* may do any and all
39 things necessary in order to avail itself of ~~such~~ *that* aid,

1 assistance, and cooperation under any federal or state legislation
2 now or hereafter enacted.

3 SEC. 25. Section 125450 is added to the Public Utilities
4 Code, to read:

5 125450. A violation of any ordinance, rule, or regulation
6 enacted by the board relating to the nonpayment of a fare in any
7 transit facility owned or controlled by the district shall be an
8 infraction punishable by a fine not exceeding seventy-five dollars
9 (\$75), except that a violation by a person, after the second
10 conviction under this section, shall be a misdemeanor punishable
11 by a fine not exceeding five hundred dollars (\$500) or by
12 imprisonment in a county jail not exceeding six months, or by
13 both that fine and imprisonment.

14 SEC. 26. Section 125500 is added to the Public Utilities
15 Code, to read:

16 125500. This chapter shall become operative on the date the
17 district first begins to operate a public transit system pursuant to
18 Section 125105.

19 SEC. 27. Section 125522 of the Public Utilities Code is
20 amended to read:

21 125522. Whenever a majority of the employees employed by
22 the ~~board~~ *district* in a unit appropriate for collective bargaining
23 indicate a desire to be represented by a labor organization and
24 upon determining, as provided in Section 125521, that the labor
25 organization represents at least a majority of the employees in the
26 appropriate unit, the ~~board~~ *district* and the accredited
27 representative of employees shall bargain in good faith and make
28 all reasonable efforts to reach agreement on the terms of a written
29 contract governing wages, hours, pensions, and working
30 conditions.

31 SEC. 28. Section 125524 of the Public Utilities Code is
32 amended to read:

33 125524. If, after a reasonable period of time, representatives
34 of the ~~board~~ *district* and the accredited representatives of the
35 employees fail to reach agreement on the terms of a written
36 contract governing wages, hours, pensions, and working
37 conditions or the interpretation or application of the terms of an
38 existing contract, either party may request mediation services of
39 the State Conciliation Service.

1 SEC. 29. Section 125525 of the Public Utilities Code is
2 amended to read:

3 125525. If, after a reasonable period of time, representatives
4 of the ~~transit development board~~ *district* and the accredited
5 representatives of the employees fail to reach agreement either on
6 the terms of a written contract governing wages, hours, pensions,
7 and working conditions or the ~~interpretation~~ *interpretation* or
8 application of the terms of an existing contract, upon the
9 agreement of both the ~~transit development board~~ *district* and the
10 representatives of the employees, the dispute may be submitted
11 to an arbitration board.

12 The arbitration board shall be composed of two representatives
13 of the ~~transit development board~~ *district* and two representatives
14 of the labor organization, and they shall endeavor to agree upon
15 the selection of a fifth member. If they are unable to agree, the
16 names of five persons experienced in labor arbitration shall be
17 obtained from the State Conciliation Service. The labor
18 organization and the ~~transit development board~~ *district* shall,
19 alternately, strike a name from the list so supplied, and the name
20 remaining after the labor organization and the ~~transit~~
21 ~~development board~~ *district* have stricken four names, shall be
22 designated as the fifth arbitrator and ~~chairman~~ *the chair* of the
23 board of arbitration. The labor organization and the ~~transit~~
24 ~~development board~~ *district* shall determine by lot who shall first
25 strike a name from the list. The decision of a majority of the
26 arbitration board shall be final and binding upon the parties
27 thereto.

28 Each party shall be responsible for the expense of the
29 presentation of its case. All other expenses of arbitration shall be
30 borne equally by the parties and the expenses may include the
31 making of a verbatim record of the proceedings and transcript of
32 that record.

33 SEC. 30. Section 125526 of the Public Utilities Code is
34 amended to read:

35 125526. ~~In the event~~ *If* the ~~board~~ *district* and the
36 representatives of the employees do not agree to submit any
37 dispute to arbitration as provided in Section 125525, the State
38 Conciliation Service may be notified by either party that a
39 dispute exists and there is no agreement to arbitrate.

1 Following ~~such~~ *that* notification, the State Conciliation Service
2 shall determine whether or not the dispute may be resolved by
3 the parties and, if not, the issues concerning which the dispute
4 exists. Upon ~~such~~ *that* determination, the service shall certify its
5 findings to the Governor ~~of the State of California~~. The Governor
6 shall, within 10 days of receipt of certification, appoint a
7 factfinding commission consisting of three persons.

8 The commission shall immediately convene and inquire into
9 and investigate the issues in the dispute. The commission shall
10 have authority to issue subpoenas for the attendance of witnesses
11 and subpoenas duces tecum for the production of books,
12 documents, and other records. Subpoenas shall be served and
13 enforced in accordance with Chapter 2 (commencing with
14 Section 1985); *of* Title 3; *of* Part 4 of the Code of Civil
15 Procedure. The commission shall report to the Governor within
16 30 days of the date of its creation.

17 After the creation of ~~such~~ *a* the commission, and for 30 days
18 after ~~such~~ *the* commission has made its report to the Governor,
19 no change, except by mutual agreement, shall be made by the
20 parties to the controversy in the conditions out of which the
21 dispute arose, and service to the public shall be provided.

22 SEC. 31. Section 125527 of the Public Utilities Code is
23 amended to read:

24 125527. ~~In the event~~ *If* an exclusive collective-bargaining
25 representative is selected pursuant to Section 125521, the
26 provisions of Chapter 10 (commencing with Section 3500); *of*
27 Division 4; *of* Title 1 of the Government Code are not applicable
28 to the ~~board~~ *district*.

29 SEC. 32. Section 125540 of the Public Utilities Code is
30 amended to read:

31 125540. Whenever the ~~board~~ *district* acquires existing
32 facilities from a publicly or privately owned utility, either in
33 proceedings by eminent domain or otherwise, to the extent
34 necessary for operation of facilities, all of the employees of ~~such~~
35 *the* utility whose duties pertain to the facilities acquired who
36 have been employed by ~~such~~ *the* utility for at least 75 days shall
37 be appointed to comparable positions by the board without
38 examination. These employees shall be given sick leave,
39 seniority, and vacation credits in accordance with the records of
40 the acquired public utility. No employee of any acquired public

1 utility shall suffer any worsening of wages, seniority, pension,
2 vacation, or other benefits by reason of the acquisition.

3 Whenever the ~~board~~ *district* acquires existing facilities from a
4 publicly or privately owned utility, either in proceedings in
5 eminent domain or otherwise, the ~~board~~ *district* shall assume and
6 observe all existing labor contracts.

7 The provisions of this section shall apply only to those officers
8 or supervisory employees of the acquired utility as shall be
9 designated by the ~~board~~ *district*.

10 SEC. 33. Section 125541 of the Public Utilities Code is
11 amended to read:

12 125541. Whenever the ~~board~~ *district* acquires existing
13 facilities from a publicly or privately owned utility, either in
14 proceedings in eminent domain or otherwise, that has a pension
15 plan in operation, members and beneficiaries of ~~such that~~
16 pension plan shall continue to have the rights, privileges,
17 benefits, obligations and status with respect to ~~such that~~
18 established system. The outstanding obligations and liabilities of
19 ~~such that~~ public utility by reason of ~~such that~~ pension plan shall
20 be considered and taken into account and allowance made
21 therefor in the purchase price of ~~such that~~ public utility. The
22 persons entitled to pension benefits as provided for in this section
23 and the benefits which are provided shall be specified in the
24 agreement or order by which any public utility is acquired by the
25 ~~board~~ *district*.

26 SEC. 34. Section 125550 of the Public Utilities Code is
27 amended to read:

28 125550. (a) The adoption, terms, and conditions of a pension
29 plan covering employees of the ~~board~~ *district* in a bargaining unit
30 represented by a labor organization shall be pursuant to a
31 collective bargaining agreement between that organization and
32 the ~~board~~ *district* and shall be subject to this section.

33 (b) The pension plan and the funds of the plan shall be
34 managed and administered by a retirement board composed of
35 equal representation of labor and management. Any deadlock
36 among the members of the board with respect to that
37 management and administration shall be resolved in the manner
38 specified in Section 302 of the federal Labor Management
39 Relations Act, 1947 (29 U.S.C. Sec. 186(c)(5)).

1 (c) The duties and responsibilities of the retirement board shall
2 be executed in accordance with Section 17 of Article XVI of the
3 California Constitution.

4 (d) This section does not apply if the ~~board~~ *district* has,
5 pursuant to a collective bargaining agreement, provided
6 membership for the ~~board's~~ *district's* represented employees in
7 the Public Employees' Retirement System, a retirement system
8 established pursuant to the County Employees Retirement Law
9 of 1937, or a pension trust subject to the Employee Retirement
10 Income Security Act of 1974 (29 U.S.C. Sec. 1001 et seq.).

11 SEC. 35. Section 125551 of the Public Utilities Code is
12 amended to read:

13 125551. The ~~transit development board~~ *district* may contract
14 with the Board of Administration of the Public Employees'
15 Retirement System, and in ~~such a~~ *that* case the board of
16 administration shall enter into a contract with the ~~transit~~
17 ~~development board~~ *district*, to enter all, or any portion, of the
18 employees of the ~~transit development board~~ *district* under ~~such~~
19 *that* system; provided, that no employees of the ~~transit~~
20 ~~development board~~ *district* in a bargaining unit ~~which~~ *that* is
21 represented by a labor organization shall be included in ~~such~~ *the*
22 contract except as authorized by a collective-bargaining
23 agreement.

24 SEC. 36. Section 125552 of the Public Utilities Code is
25 amended to read:

26 125552. All persons receiving pension benefits from an
27 acquired public utility, and all persons entitled to pension
28 benefits under any pension plan of ~~such~~ *the* acquired public
29 utility, may become members or receive pensions under a
30 pension plan established by the ~~board~~ *district* by mutual
31 agreement of ~~such~~ *those* persons and the district. ~~Such~~ *The*
32 agreement may provide for the waiver of all rights, privileges,
33 benefits, and status with respect to the pension plan of ~~such~~ *the*
34 acquired public utility.

35 SEC. 37. Section 125560 of the Public Utilities Code is
36 amended to read:

37 125560. The ~~board~~ *district* shall take such steps as may be
38 necessary to obtain coverage for the board and its employees
39 under Subchapter II of the Federal Social Security Act, as

1 amended, and the related provisions of the Federal Contributions
2 Act, as amended.

3 SEC. 38. Section 125561 of the Public Utilities Code is
4 amended to read:

5 125561. The ~~board~~ *district* shall take such steps as may be
6 necessary to obtain coverage for the board and its employees
7 under the workers' compensation, unemployment compensation,
8 and disability and unemployment insurance laws of the State of
9 California.

10 SEC. 39. Section 125600 of the Public Utilities Code is
11 amended to read:

12 125600. The ~~board~~ *district* may establish and maintain a
13 police force. Those employees of the ~~board~~ *district* appointed by
14 the ~~general manager~~ *executive director* to the police force and
15 who are duly sworn are peace officers, subject to Section 830.33
16 of the Penal Code. The ~~board~~ *district* shall comply with the
17 standards for recruitment and training of peace officers
18 established by the Commission on Peace Officer Standards and
19 Training pursuant to Title 4 (commencing with Section 13500) of
20 Part 4 of the Penal Code.

21 SEC. 40. Section 125700 of the Public Utilities Code is
22 amended to read:

23 125700. The ~~board~~ *district* may issue bonds, payable from
24 revenue of any facility or enterprise to be acquired or constructed
25 by the ~~board~~ *district*, in the manner provided by the Revenue
26 Bond Law of 1941 (Chapter 6 (commencing with Section 54300)
27 of Part 1 of Division 2 of Title 5 of the Government Code), and
28 all of the provisions of that law are applicable to the ~~board~~
29 *district*.

30 SEC. 41. Section 125701 of the Public Utilities Code is
31 amended to read:

32 125701. The ~~board~~ *district* is a local agency within the
33 meaning of the Revenue Bond Law of 1941 (Chapter 6
34 (commencing with Section 54300) of Part 1 of Division 2 of Title
35 5 of the Government Code). The term "enterprise," as used in the
36 Revenue Bond Law of 1941, for all purposes of this chapter,
37 includes the transit system or any or all transit facilities and all
38 additions, extensions, and improvements thereto authorized to be
39 acquired, constructed, or completed by the ~~board~~ *district*.

1 The ~~board~~ *district* may issue revenue bonds under the Revenue
2 Bond Law of 1941 for any one or more transit facilities
3 authorized to be acquired, constructed, or completed by the ~~board~~
4 *district* or for transit equipment described in Section 125702
5 authorized to be acquired by the ~~board~~ *district* or, in the
6 alternative, the ~~board~~ *district* may issue revenue bonds under the
7 Revenue Bond Law of 1941 for the acquisition, construction, and
8 completion of any one of those transit facilities or for transit
9 equipment described in Section 125702 authorized to be acquired
10 by the ~~board~~ *district*.

11 Nothing in this chapter prohibits the ~~board~~ *district* from
12 availing itself of, or making use of, any procedure provided in
13 this chapter for the issuance of bonds of any type or character for
14 any of the transit facilities authorized hereunder, and all
15 proceedings may be carried on simultaneously or, in the
16 alternative, as the ~~board~~ *district* may determine.

17 SEC. 42. Section 125702 of the Public Utilities Code is
18 amended to read:

19 125702. The ~~board~~ *district* may purchase transit equipment
20 such as cars, trolley buses, motorbuses, light rail vehicles, or
21 rolling equipment, and may execute agreements, leases, and
22 equipment trust certificates in the forms customarily used by
23 private corporations engaged in the transit business appropriate
24 to effect the purchase and leasing of transit equipment, and may
25 dispose of the equipment trust certificates upon the terms and
26 conditions that the ~~board~~ *district* may deem appropriate.

27 Payment for transit equipment, or rentals therefor, may be
28 made in installments, and the deferred installments may be
29 evidenced by equipment trust certificates that are or will be
30 legally available to the ~~board~~ *district*. Title to the equipment may
31 not vest in the ~~board~~ *district* until the equipment trust certificates
32 are paid.

33 SEC. 43. Section 125703 of the Public Utilities Code is
34 amended to read:

35 125703. The agreement to purchase or lease transit equipment
36 may direct the vendor or lessor to sell and assign or lease the
37 transit equipment to a bank or trust company duly authorized to
38 transact business in the state as trustee for the benefit and
39 security of the equipment trust certificates, and may direct the
40 trustee to deliver the transit equipment to one or more designated

1 officers of the ~~board~~ *district* and may authorize the ~~board~~ *district*
2 to simultaneously therewith execute and deliver an installment
3 purchase agreement or a lease of that equipment to the ~~board~~
4 *district*.

5 SEC. 44. Section 125705 of the Public Utilities Code is
6 amended to read:

7 125705. The covenants, conditions, and provisions of the
8 agreements, leases, and equipment trust certificates may not
9 conflict with any trust agreement or similar document securing
10 the payment of bonds, notes, or certificates of the ~~board~~ *district*.

11 SEC. 45. Section 125707 of the Public Utilities Code is
12 amended to read:

13 125707. The Improvement Act of 1911 (Division 7
14 (commencing with Section 5000) of the Streets and Highways
15 Code), the Improvement Bond Act of 1915 (Division 10
16 (commencing with Section 8500) of the Streets and Highways
17 Code), and the Municipal Improvement Act of 1913 (Division 12
18 (commencing with Section 10000) of the Streets and Highways
19 Code), are applicable to the ~~board~~ *district*.

20 SEC. 46. Section 125708 of the Public Utilities Code is
21 amended to read:

22 125708. Chapter 1 (commencing with Section 99000) of Part
23 11 of Division 10 is applicable to the ~~board~~ *district*.

24 SEC. 47. Section 125709 of the Public Utilities Code is
25 amended to read:

26 125709. The ~~board~~ *district* shall be considered a “local
27 agency,” as defined in subdivision (h) of Section 53317 of the
28 Government Code, and the provisions of Chapter 2.5
29 (commencing with Section 53311) of Part 1 of Division 2 of Title
30 5 of the Government Code are applicable to the ~~board~~ *district*.

31 SEC. 48. Section 125710 of the Public Utilities Code is
32 amended to read:

33 125710. The ~~board~~ *district* shall be considered to be a “local
34 agency” as defined in subdivision (f) of Section 6585 of the
35 Government Code, and Article 4 (commencing with Section
36 6584) of Chapter 5 of Division 7 of Title 1 of the Government
37 Code is applicable to the ~~board~~ *district*.

38 SEC. 49. Section 125711 of the Public Utilities Code is
39 amended to read:

1 125711. The ~~board~~ *district* may borrow money in accordance
2 with Article 7 (commencing with Section 53820), Article 7.6
3 (commencing with Section ~~53580~~ 53850), or Article 7.7
4 (commencing with Section 53859) of Chapter 4 of Part 1 of
5 Division 2 of Title 5 of the Government Code.

6 SEC. 50. Section 125712 of the Public Utilities Code is
7 amended to read:

8 125712. The ~~board~~ *district* may borrow money in anticipation
9 of the sale of bonds that have been authorized to be issued, but
10 that have not been sold and delivered, and may issue negotiable
11 bond anticipation notes therefor, and may renew the bond
12 anticipation notes from time to time, but the maximum maturity
13 of any bond application notes, including the renewals thereof,
14 may not exceed five years from the date of delivery of the
15 original bond anticipation notes.

16 The bond anticipation notes may be paid from any money of
17 the ~~board~~ *district* available therefor and not otherwise pledged. If
18 not previously otherwise paid, the bond anticipation notes shall
19 be paid from the proceeds of the next sale of the bonds of the
20 ~~board~~ *district* in anticipation of which they were issued. The
21 bond anticipation notes may not be issued in any amount in
22 excess of the aggregate amount of bonds that the ~~board~~ *district*
23 has not been authorized to issue, less the amount of any bonds of
24 the authorized issue previously sold, and also less the amount of
25 other bond anticipation notes therefor issued and then
26 outstanding.

27 The bond anticipation notes shall be issued and sold in the
28 same manner as the bonds. The bond anticipation notes and the
29 resolution or resolutions authorizing them may contain any
30 provisions, conditions, or limitations that a resolution of the
31 board *of the district* authorizing the issuance of bonds may
32 contain.

33 SEC. 51. Section 125713 of the Public Utilities Code is
34 amended to read:

35 125713. The ~~board~~ *district* may issue negotiable promissory
36 notes pursuant to this section to acquire funds for any ~~board~~
37 *district* purposes. The maturity of the promissory notes may not
38 be later than five years from the date thereof. Those notes shall
39 bear interest at a rate not to exceed 12 percent per year. Those

1 notes shall be payable from any source of revenue available to
2 the ~~board~~ *district*.

3 SEC. 52. Section 125714 of the Public Utilities Code is
4 amended to read:

5 125714. The ~~board~~ *district* may bring an action to determine
6 the validity of any of its bonds, equipment trust certificates,
7 warrants, notes, or other evidences of indebtedness pursuant to
8 Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of
9 the Code of Civil Procedure.

10 SEC. 53. Section 125715 of the Public Utilities Code is
11 amended to read:

12 125715. All bonds and other evidences of indebtedness issued
13 by the ~~board~~ *district* under this chapter, and the interest thereon,
14 are free and exempt from all taxation within the state, except for
15 transfer, franchise, inheritance, and estate taxes.

16 SEC. 54. Section 125716 of the Public Utilities Code is
17 amended to read:

18 125716. Notwithstanding any other provisions of this division
19 or of any other law, the provisions of all ordinances, resolutions,
20 and other proceedings in the issuance by the ~~board~~ *district* of any
21 bonds, bonds with a pledge of revenues, bonds for any and all
22 evidences of indebtedness or liability constitute a contract
23 between the ~~board~~ *district* and the holders of the bonds,
24 equipment trust certificates, notes, or evidences of indebtedness
25 or liability, and the provisions thereof are enforceable against the
26 ~~board~~ *district* or any or all of its successors or assigns, by
27 mandamus or any other appropriate suit, action, or proceeding in
28 law or in equity in any court of competent jurisdiction.

29 Nothing in this division or in any other law relieves the ~~board~~
30 *district* or the territory included within it from any bonded or
31 other debt or liability contracted by the ~~board~~ *district*. Upon
32 dissolution of the ~~board~~ *district* or upon withdrawal of territory
33 therefrom, that territory formerly included within the ~~board~~
34 *district*, or withdrawn therefrom, shall continue to be liable for
35 the payment of all bonded and other indebtedness or liabilities
36 outstanding at the time of the dissolution or withdrawal as if the
37 ~~board~~ *district* had not been so dissolved or the territory
38 withdrawn therefrom, and it shall be the duty of the successors or
39 assigns to provide for the payment of the bonded and other
40 indebtedness and liabilities.

1 Except as may be otherwise provided in the proceedings for the
2 authorization, issuance, and sale of any revenue bonds, bonds
3 secured by a pledge of revenues, or bonds for improvement
4 districts secured by a pledge of revenues, revenues of any kind or
5 nature derived from any revenue-producing improvements,
6 works, facilities, or property owned, operated, or controlled by
7 the ~~board~~ *district* shall be pledged, charged, assigned, and have a
8 lien thereon for the payment of the bonds as long as they are
9 outstanding, regardless of any change in ownership, operation, or
10 control of the revenue-producing improvements, works, facilities,
11 or property and it shall, in any later event or events, be the duty
12 of the successors or assigns to continue to maintain and operate
13 the revenue-producing improvements, works, facilities, or
14 property as long as bonds are outstanding.

15 SEC. 55. No reimbursement is required by this act pursuant to
16 Section 6 of Article XIII B of the California Constitution because
17 the only costs that may be incurred by a local agency or school
18 district will be incurred because this act creates a new crime or
19 infraction, eliminates a crime or infraction, or changes the
20 penalty for a crime or infraction, within the meaning of Section
21 17556 of the Government Code, or changes the definition of a
22 crime within the meaning of Section 6 of Article XIII B of the
23 California Constitution.